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Held at Headquarters, New York,
on Thursday, 18 July 1996, at 11 a.m.

President: Mr. GERVAIS (Côte d'Ivoire)

later: Mr. MOUBARAK (Lebanon)
(Vice-President)

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The meeting was called to order at 11.20 a.m.

ECONOMIC AND ENVIRONMENTAL QUESTIONS: REPORTS OF SUBSIDIARY BODIES, CONFERENCES AND RELATED QUESTIONS (continued) (E/1996/L.26)

(i) FOLLOW-UP TO GENERAL ASSEMBLY RESOLUTION 50/106: BUSINESS AND DEVELOPMENT (continued)

Mr. MARRERO (United States of America) introduced draft resolution E/1996/L.26 entitled "Corruption and bribery in transnational commercial activities", which represented part of a continuing effort by the United States to combat international organized crime and corruption, including money laundering, smuggling and related activities.

Bribery distorted markets and hindered economic development. It also undermined democratic accountability and created a sort of non-tariff barrier to trade that disadvantaged companies which refused to engage in the practice. The draft resolution currently before the Council encouraged Governments to take action to combat bribery. It reaffirmed the link between good governance and economic growth. Preventing corrupt practices was an important element in improving a nation's international business environment. It enhanced fairness and competitiveness in transnational business transactions and benefited the general public.

Regarding the issue of reform and reorganization of the Economic and Social Council, his delegation believed that the best way to enhance the Council's relevance was to ensure that it addressed relevant issues. The Council could be strengthened by engaging issues of significant international concern rather than claiming incapacity and incompetence or seeking to delegate difficult substantive issues to other bodies. The issue of international crime and corruption was one such relevant issue.

Mrs. NASCIMBENE de DUMONT (Argentina) said that the issue of corruption was one of the newest and most disturbing challenges currently facing the international community, and her delegation welcomed its recent inclusion on the agendas of a number of high-level inter-American conferences. The Council should continue to take a leadership role in combating corruption.

Mr. TEJERA PARIS (Venezuela) said that his Government was particularly concerned by the tendency of exporters from certain countries to resort to automatic bribery of corrupt procurement officials, even in the developed world. Corruption in general and administrative corruption in particular posed a threat to the whole international community and therefore demanded a collective response. Venezuela had initiated a number of anti-corruption measures both domestically and at the regional level.

REGIONAL COOPERATION IN THE ECONOMIC, SOCIAL AND RELATED FIELDS (continued) (E/1996/45 and Add.1, E/1996/46-50 and E/1996/NGO/4)

Mr. ACUÑA (Costa Rica), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the role of the regional commissions in assisting Governments in the implementation of action-oriented programmes in the economic, social and related fields. Such programmes should include capacity-building for science, technology and industrialization; development and utilization of natural resources and energy; infrastructure, communications and public sector reform; and development of financial markets. Programmes should be supportive of a regional enabling environment for sustained economic growth and poverty eradication.

Cooperation at regional level was crucial in implementing an international agenda for sustained economic development and translating into action regional programmes identified with the development process, while taking into account the specific features and development needs of each region.

Regional commissions provided a forum for such cooperation and enhanced the international environment in terms of financial flows, technical cooperation and trade. They provided tried and tested intergovernmental machinery for supporting cooperation among experts from the public and private sectors, policy planners and government officials, thus enabling them to elaborate regional strategies, norms, standards and instruments.

The regional commissions had an important input in the Council's policy deliberations in the high-level and coordination segments. At the very least, they brought a regional perspective that enriched the Council's debate on development issues; the matter of regional cooperation should therefore be discussed at the beginning of the Council's general segment. Dialogue between the regional commissions and the Council, which was the central body for policy and coordination in the economic and social sectors, should be strengthened. In

addition, the regional commissions should seek cooperative working arrangements with the relevant units of the Bretton Woods institutions, which could include joint research on opening up regional economies, collaboration on industrialization and physical and economic infrastructure and data collection and information exchange.

Mr. MOUBARAK (Lebanon) congratulated the Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA) on his excellent report which contained invaluable information for future planning of development projects in the region and indicated areas of top priority. In order to gain a fuller appreciation of the regional commission's work it should be read in conjunction with document E/ESCWA/1996/3, which provided comprehensive details on the advisory and cooperation activities undertaken by ESCWA. His Government welcomed the relocation of ESCWA headquarters to Beirut and pledged to fulfil Lebanon's commitments in that respect.

Mr. MOUBARAK (Lebanon), Vice-President, took the Chair.

Mr. MARTINI (Observer for Guatemala), speaking on behalf of the six Central American countries, recalled that the issue of reform of the United Nations had been raised repeatedly and that the question of how to restructure the regional commissions was part of the ongoing debate on reform. Although some believed that the United Nations, as a global body, should not deal with regional concerns but should leave those to regional bodies, his delegation believed that the regional commissions had an important role to play within a restructured United Nations system. The commissions were the bodies most closely in touch with regional developments. In addition, they were interdisciplinary in nature and were directly in touch with the specific demands of Governments. The Central American States were highly supportive of the Economic Commission for Latin America and the Caribbean, which had clearly shown its capacity to adapt itself to developments in the region.

Decentralization of many of the activities currently carried out in New York and Geneva to the regional commissions would be a positive first step. The allocation of responsibilities to the regional commissions should be based on the principle of comparative advantage. His delegation agreed that it was necessary to enhance the productivity of the Secretariat, including that of the regional commissions. There was also room for management reform and adjustments

in work programmes. But the United Nations should continue to maintain a regional presence and seek to reconcile regionalism with multilateralism.

His delegation also endorsed the view that the matter of regional cooperation should be taken up by the Council earlier in its session in order to enable the Executive Secretaries of the regional commissions to attend the high-level segment, and proposed that the Council should take a decision to that effect.

Mr. SKRYBANT (Poland) said that, after almost 50 years, the member Governments of the Economic Commission for Europe (ECE) were about to embark on reforms aimed at redefining the role and place of the Commission on the changed international stage. Poland considered that review of activities of the greatest importance, for it intended to apply for full membership in the European Union and was taking advantage of the ECE institutional framework with a view to improving its prospects. It welcomed the decision adopted by ECE at its fifty-first session aimed at increasing the business community's participation in the activities of the Commission, and would also view favourably greater involvement by non-governmental organizations.

It seemed to him that, while the membership of the Commission had increased from 34 to 55 countries and the list of problems to be coped with was growing steadily, the response of the Commission and of other United Nations bodies was frequently inadequate due, in part, to insufficient resources and calls for rationalization and streamlining. While it might be tempting and even prudent to rely increasingly on arrangements with financial institutions, it was also necessary to consider the need for preserving the principle of universality.

Mr. GRANT (Ireland), speaking on behalf of the European Union, said that the delegations of Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania and Slovakia also associated themselves with his statement. The report of the Secretary-General, in the section on the overall activities of the Commissions, gave the Council a valuable summary of the work being undertaken. However, the section dealing with the follow-up to recent conferences gave rise to a number of questions. Whereas the action programmes of the conferences identified action at the regional level as an integral part of the implementation process and envisaged the regional economic commissions as having an important part to play, the report acknowledged that only in very general terms. As a result, it was

difficult to assess accurately the extent to which the regional commissions were fulfilling the roles stipulated for them in the various action programmes. More detailed information on the follow-up to those conferences would be welcomed in the next report. The European Union was surprised that no mention had been made of the outcome of the United Nations Conference on Environment and Development.

With regard to trends in regional cooperation, the report provided a very useful summary from a regional perspective of the generally encouraging trends in the world economy, stimulated by increasing globalization. The European Union welcomed the increasingly active role being played by integration groupings and attached priority to establishing and strengthening ties with regional groupings throughout the world. The work being undertaken by all the regional commissions in that area could only further enhance trade links between Member States and in turn, assist economic growth.

The European Union welcomed the efforts being made by the commissions in the area of reform. While the commissions must adopt reform programmes reflecting their respective circumstances, there would also be advantages in looking at the similarities and differences between their reform programmes, including the assumptions on which they were based and their objectives. Reform programmes should take into account the need for complementarity between the regional commissions and other parts of the system, as well as their areas of comparative advantage. In accordance with General Assembly resolution 50/227, it was the expectation of the European Union that the Council would take a decision at the current session to launch a review of the reform process in the regional commissions.

Mr. VALLE (Brazil) speaking on behalf of Argentina, Paraguay and Uruguay, the member States of the Southern Cone Common Market, as well as Bolivia and Chile, said that the member countries of MERCOSUR shared a solid commitment to democratic principles, human rights and the rule of law and also to open markets. Accordingly, they had recently signed an agreement with Chile, and were negotiating a similar accord with Bolivia, with a view to establishing a free-trade area. The United Nations must respond to the growing role of economic regionalism with a strong decentralized presence in the region. The MERCOSUR member States believed that the regional commissions had the technical competence and capacity to bring about the regional integration of United Nations programmes and activities. Indeed, MERCOSUR was convinced that

regionalism and multilateralism were convergent processes. In that connection, MERCOSUR member States viewed with concern the proposals for cuts in resources allocated to the regional commissions since they believed that ECLAC should remain a centre of excellence collaborating with Governments in the analysis of development processes and the formulation, follow-up and evaluation of government policies as well as in the provision of technical assistance in the areas of specialized information, consultancy, technical training and support for regional cooperation. That position did not mean that the regional commissions should not promote reforms. The reform processes must be tailored to the realities of each region. The MERCOSUR member States did not consider it appropriate to single out the reform in the regional commissions as an agenda item for the following year. Such reforms must be considered as part of the overall discussions on the subsidiary machinery of the Council, which included the functional commissions.

Mrs. DREYFUS STADTHAGEN (Nicaragua) said that the report of the Secretary-General on regional cooperation did not sufficiently emphasize the important work of ECLAC in supporting the countries of the Central American region. Global problems, such as those addressed in the recent series of world conferences, undoubtedly had regional aspects, and the regional commissions could help to harmonize positions within the multilateral system, as ECLAC had done in preparing a regional plan for Latin America for housing and human settlements in preparation for the recent United Nations Conference on Human Settlements. They could also help to implement at the regional level the commitments made at international conferences.

Her delegation was very interested to learn that ESCAP and ECLAC had agreed to undertake studies (E/1996/45, para. 116) on the prospects and potential for mutual trade and investment cooperation, and would eagerly await the results of those studies.

On the issue of reform of the regional commissions she said that consideration must be given to the role each Commission had played in its region. Considering that the review process had reached an advanced stage, her delegation believed that it was not necessary to include an item on the regional commissions in the agenda for the next session of the Council.

ECLAC had played an important role in research and analysis in the economic, social and development fields both at the national level and at the

level of Central American integration. Her delegation welcomed cooperation efforts with Central American integration bodies, particularly with the Central American Bank for Economic Integration, in order to develop mechanisms to promote investment. Recent meetings of the Central American Economic Cooperation Committee and between the Presidents of the Central American region and Chile represented important efforts in bilateral cooperation that would yield positive results in the areas of investment, trade and education.

Mr. WILMOT (Ghana) said that his delegation appreciated the contributions of the Economic Commission for Africa (ECA) towards the establishment of subregional economic groupings and commended it for its ongoing efforts to assist member States to diversify their production structures. He urged it to intensify its efforts to promote Africa's external trade prospects. He also commended ECA for its efforts to attract foreign direct investment, and supported suggestions for a project which would involve the development of an investment and trade network centred around regional chambers of commerce and industry. His delegation endorsed the proposal (E/1996/45, para. 119) for a joint ECA-ESCAP project focusing on technical cooperation among developing countries, as a follow-up to the Asia-Africa forum held in Bandung, Indonesia, in 1994.

In terms of reform, ECA had placed a strategic focus on a few priority areas where it had comparative advantage, with gender and capacity-building as cross-cutting themes. Since it was imperative to integrate regional considerations in the analysis of global problems, regional commissions had an important role to play in the future, and should be adequately strengthened.

Mr. KIWANUKA (Uganda), speaking on behalf of Kenya and the United Republic of Tanzania, said that East African cooperation had been relaunched in March 1996 with the inauguration of the Secretariat of the East African Cooperation in Arusha, Tanzania. Before its 1977 collapse, the East African Community had been the oldest, most elaborate and most successful economic cooperation arrangement in Africa. Although it had collapsed primarily for political reasons, its members firmly believed in the benefits of regional cooperation and had once again mustered the political will to begin afresh.

The new arrangement would be based on an incremental approach, building on the elements uniting the three countries. First, they had agreed to liberalize their currencies in order to promote trade and facilitate commercial

transactions, because of a firm belief that successful cooperation must be spurred by the private sector. They had resolved to encourage free movement of persons in the region through the issuance of an East African travel document. They would then harmonize taxation systems, customs and transport regulations. They would also coordinate broad economic and social policy issues and would take a common approach in the use of shared waters and other natural resources and agriculture.

Although they held no illusions that the task would be easy, the three countries would work hard to broaden and deepen cooperation within the region and to pursue the broader aim of achieving economic integration of the African continent. It was their hope that the international community would support their endeavour.

Ms. McNISH (Jamaica) said that the regional commissions were making an important contribution to the development process. They played an important coordinating role in bringing issues of regional interest to the global arena and, conversely, raising global issues in regional forums. In that regard, ECLAC was relevant and important to the region particularly since it was the only regional institution involved in the analysis of developmental issues from an economic perspective. However, her delegation was concerned that the reports on the work of the Commission and the survey of economic trends in Latin America and the Caribbean made very few references to the Caribbean member States of ECLAC, provided scanty disaggregated data and made no specific references to Caribbean experiences in net capital in-flows, current accounts, external financing or trade, which were of critical importance to the region. Important developments in terms of intraregional trade for the Caribbean Community (CARICOM) had been ignored.

There were fundamental differences between the economies of the Caribbean and those of Latin America, and economic performance in the Caribbean should not be subsumed under the general rubric of Latin America. That position had been reiterated at the twenty-sixth session of the Commission in Costa Rica. The Caribbean States were already marginalized by virtue of their small size and her delegation looked forward to a more balanced approach in reporting on economic trends and performance in Latin America and the Caribbean.

Mr. ŽEBRAKOVSKÝ (Czech Republic) said that the Economic Commission for Europe (ECE) had expanded considerably; over the previous five years nearly half

its members were countries in transition, and several of them could be classified as among the least developed countries. However, the assistance needs of such countries were very different from those of developing countries. The Commission should focus on solving regional problems, as well as global problems, such as the environment. The Commission should also address the problem of the transformation of State-controlled economies into free market economies and the harmonization of regional activities with those of development agencies such as the United Nations Development Programme.

The proposed declaration on strengthening economic cooperation in Europe, which was in the process of being elaborated, was intended to provide long-term direction for ECE by establishing a limited number of priorities. He welcomed the fact that most ECE activities were grounded in experience, expertise, comparative advantages and independent analyses. His delegation supported ECE reforms aimed at eliminating unnecessary overlaps with other international bodies and at improving programme coordination, adding that the Commission should continue to encourage close involvement of the business community in its work and cooperation with non-governmental organizations. While he was aware of the current financial difficulties of the United Nations system, he felt that the Commission should be given additional resources as a result of the elimination of duplication in the activities of other United Nations bodies in order to be able to use its comparative advantages effectively.

Mr. TANASESCU (Romania) said that the restructuring process at ECE had already resulted in improved efficiency through the streamlining of the organization's procedures. The Commission had established new targets for cooperation among European States and had intensified regional cooperation on environmental issues. In that regard, it had sponsored legal agreements on the protection of the atmosphere and on regional watercourses. ECE had also played a key role in facilitating the integration of the economies in transition into the European and world economies. It had also followed up on the major global conferences held in recent years contributing to the implementation at the regional level of the plans and programmes adopted by such conferences. In that regard, he welcomed the support provided by ECE, in collaboration with the Division for the Advancement of Women of the United Nations Secretariat and UNDP, to his Government in the preparation and organization of the conference on women's issues in the countries in transition to be held in Bucharest in

September 1996. In his view, the annual studies prepared by the Commission on both macroeconomic and sectoral developments probably constituted the area where the regional commissions had a net comparative advantage.

Mr. VIVAS (Venezuela) said that ECLAC had demonstrated its usefulness to the Governments of the region by constantly adapting its work to new realities and improving its efficiency. The Commission had made major contributions by formulating proposals on a number of items relating to the development of Latin American and Caribbean countries and had combined analytical work with operational services in the areas of specialized information, advisory services and support for regional and international cooperation. Moreover, it had made considerable efforts to interact with a wide range of actors from the public, private and academic sectors of various member countries. Finally, at the twenty-sixth session of the Commission, measures had been proposed to improve its effectiveness which deserved support. In that regard, an open-ended intergovernmental committee had been established with the mandate to work out priorities for the Commission's work programme and to propose strategic orientations for its future activities.

Mr. GERUS (Belarus) said that his delegation appreciated the role of the Economic Commission for Europe in the process of strengthening intergovernmental relations in the economic sphere, and in particular for its activities in the countries of Central and Eastern Europe during their transition period. It had worked successfully to integrate the transportation networks of the different countries into a general European transportation system, established an energy efficiency zone for the countries of Eastern Europe, and simplified international trade procedures. It had also participated in activities undertaken by Belarus, Ukraine and the Russian Federation to minimize the consequences of the Chernobyl disaster.

Future activities should take into account the new realities in the region and should place greater priority on the development of countries with economies in transition, giving new impetus to closer economic integration in the region. In the view of his delegation, decentralization of activities and resources to the regional economic commissions would allow them to react more appropriately to changes in the economy or the dynamics of various problems, both on the country and the regional level. Efforts to strengthen cooperation between ECE, the European Union and other subregional organizations were welcome. Its

assistance to the countries with economies in transition would be most effective if it benefited from an appropriate level of funding.

Mr. POERNOMO (Indonesia) said that the tasks of the regional commissions had grown as a result of the commitments and agreements adopted at recent United Nations global conferences. They must now direct their attention to assisting Member States in the implementation of the various programmes and platforms for action. The role of the commissions had become particularly important in the light of the promotion of cooperation among United Nations agencies and other regional and subregional organizations in particular with respect to cross-sectoral issues in the follow-up process. It was encouraging to note that the commissions were responding to the new challenges by adapting their activities to the realities in their respective regions. Their response was particularly encouraging in view of the fact that resources available to them were becoming increasingly scarce. The decline in financial resources was ironic given that it was occurring just as the regional commissions were being called on to shoulder heavier responsibilities and at a time when they had undertaken serious efforts to reform and restructure in order to effectively meet the tasks assigned to them. The reform process could not take place in a vacuum but must be part of the broader mission entrusted to the United Nations; that mission included enabling the Members to adequately respond to the emerging challenges and opportunities of the international economic environment. However, the piecemeal approach resulting from the reform process was having a negative impact on the effectiveness and relevance of the regional commissions. The Council must provide clear and coherent direction on the future path that needed to be pursued by the United Nations system as a whole, including the regional commissions, in order to achieve sustainable human development in an efficient and effective manner.

His delegation attached great importance to finding ways and means of ensuring that the regional commissions effectively discharged their mandates. The Council must therefore provide full support to the regional commissions in carrying out the tasks assigned to them.

The meeting rose at 1 p.m.